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DASD(P&R)

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No.

SUBJECT: Corporate Information Management (CIM) Initiatives

DOD COMPONENTS: Army, Navy, Air Force, WHS, DIS and DLA

ISSUE: Should resources be allocated to fund CIM Modernization and Development initiatives recommended by the Principal Staff Assistants (PSA)?

	(TOA, Dollars in Millions)		
	FY 1995	FY 1996	FY 1997
Service Estimate	28.0	73.6	76.3
Alternative Estimate	-	+58.6	+76.6

SUMMARY OF EVALUATION: The following is a summary of the adjustments reflected in the alternative estimate:

- Defense Civilian Personnel Data System (DCPDS) - Adds and realigns funding and personnel for the regionalization and modernization of the civilian personnel system. (FY 1996, \$+19.2 million and FY 1997, \$+29.4 million)
- Joint Recruiting Information Support System (JRISS) - Adds funding for the application of a standard, modern database at recruiting offices. (FY 1995, \$+2.0 million, FY 1996, \$+43.1 million and FY 1997, \$+47.2 million)
- Military Entrance Processing (MEP) Command - Directs the Army to add and realign funding for the automation support of military recruiting and entrance processing. (No net change in resources)
- Procurement CIM - Realigns funding for the Standard Procurement System as a result of creation of the Project Management Office at DLA. (No net change in resources)
- Defense Investigative Service Modernization - Reduces outyear O&M to reflect savings produced by the DIS Modernization. Applies prior year assets to FY 1996 funding requirements. (FY 1996, \$-3.8 million)

ALTERNATIVE ESTIMATE: Approve increases of \$58.6 in FY 1996 and \$76.6 million in FY 1997.

DECISION _____

Date _____

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DETAIL OF EVALUATION: During the program review, decisions on CIM modernization initiatives were deferred to the OSD/OMB fall budget review. The Principal Deputy Comptroller and the Director of Program Analysis and Evaluation (PA&E) in a October 4, 1994, joint memorandum to the the Principal Staff Assistants (PSAs) of the Enterprise Integration Corporate Management Council were tasked to conduct their own review of the status of CIM programs within their assigned business areas. This PBD reflects changes to appropriate Budget Estimates Submissions (BES) to support selected CIM initiatives submitted by the PSAs.

Defense Civilian Personnel Data System (DCPDS)

	(TOA, Dollars in Millions)		
	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
Service Estimate	76.5	70.7	73.7
Alternative Estimate	-	+19.2	+29.4

The Under Secretary of Defense for Personnel and Readiness (USD(P&R)) is the functional PSA for DCPDS. Management of DCPDS is the responsibility of the Defense Civilian Personnel Management Service (CPMS). The Air Force is the executive agent for DCPDS and for the Major Automated Information Systems Review Council (MAISRC) level reviews.

Several initiatives are being undertaken to reduce the costs of DoD civilian personnel offices. The Department currently has a ratio of one personnelist for each 60 employees (1:60 ratio), as compared to a 1:40 ratio in other federal agencies. The regionalization initiative is planned to increase the ratio from the 1:60 to 1:71 by FY 1996. The modernization of the information system, incorporating reengineered processes, is expected to fully support regionalization and further increase the servicing ratio to 1:88 by FY 1998. The Department has a target servicing ratio goal of 1:100 after FY 2001.

The current CIM initiative was originally structured to migrate to a single system and make incremental changes to the migration system over the Future Years Defense Program (FYDP). The 1993 Program Decision Memorandum (PDM) provided \$120 million to the Components to establish 20 regional civilian personnel servicing centers vice the full service civilian personnel offices at the installation level. The PDM permitted the Services to take the Regionalization manpower savings against the civilian workforce reductions which were also included as separate issue. The total savings over the FYDP are currently estimated at \$386 million and savings after FY 2001 are estimated at \$156 million per year. The regionalization funding was provided with the understanding that further cost analysis would be necessary. The Senior Financial Management Oversight Council tasked the Director of Program Analysis and Evaluation (PA&E) to perform a Cost Analysis study of DCPDS. The study was completed in September 1994, and it concluded

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that the least costly option for delivering civilian personnel services required the DoD Components to move to a regional servicing structure and to migrate DCPDS to a modern target environment supported by a single, integrated information system. This study identified funding shortfalls across the FYDP of \$38.6 million in order to complete the regionalization initiative and \$136.9 million for the development and implementation of a modern target data system.

The target system will comply with the Department's standards outlined in the Technical Architecture for Information Management (TAFIM) and provide standardized civilian personnel data that will integrate with other functional areas such as payroll. Once the system is developed and the infrastructure is installed, the DoD Components would move from the migration and legacy systems to the single modernized system.

Therefore, in order to fully finance the Department's civilian personnel regionalization initiative and to develop a standard DoD civilian personnel data target system by FY 2000, the alternative estimate provides for a net increase of \$19.2 million in FY 1996 and \$29.3 million in FY 1997. The FY 1994 and FY 1995 funding for regionalization was placed in abeyance pending the results of the cost analysis. These funds are available in the DoD Components' budgets and are to be used to support regionalization and modernization in FY 1995.

The alternative estimate realigns some of the Components' O&M funding to the other procurement appropriations to finance the regionalization shortfalls, as well as the equipment upgrades which are needed for regionalization and support of the CPMS target system development. Funding for regionalization equipment upgrades, maintenance and other operating and support is the responsibility of the Services and Defense Agencies. Funding for system modernization and development, including procurement for system servers, which are integral to the DCPDS funding is the responsibility of CPMS.

Manpower realignments are necessary to provide program management and to direct the modernization, development and deployment. Others provide Component support for functional user requirements definition and integration during the software design phase, development of new training manuals and documentation, testing, customer support, coordination of the implementation of regionalization equipment and system modernization software. The alternative estimate also realigns 40 civilian manpower positions to CPMS from the Services and Defense Agencies.

Current DCPDS system savings have been included in the additional resource requirements of the alternative estimate after migration to the target DCPDS. The following is a summary of the net adjustments reflected in the alternative estimate:

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Alternative Estimate	(TOA, Dollars in Millions)					
	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
	<u>+19.2</u>	<u>+29.3</u>	<u>+31.9</u>	<u>+30.4</u>	<u>+27.0</u>	<u>+30.1</u>
<u>REGIONALIZATION</u>	<u>+6.9</u>	<u>+18.7</u>	<u>+21.1</u>	<u>+23.1</u>	<u>+23.0</u>	<u>+23.7</u>
<u>Army</u>	<u>-2.6</u>	<u>+7.1</u>	<u>+4.7</u>	<u>+6.1</u>	<u>+6.2</u>	<u>+6.5</u>
OMA	<u>-9.7</u>	<u>-1.7</u>	<u>-1.6</u>	<u>-0.2</u>	<u>+0.3</u>	<u>+0.4</u>
OPA	<u>+7.1</u>	<u>+8.8</u>	<u>+6.3</u>	<u>+6.3</u>	<u>+5.9</u>	<u>+6.1</u>
<u>Navy</u>	<u>+2.4</u>	<u>+3.4</u>	<u>+10.2</u>	<u>+11.8</u>	<u>+6.0</u>	<u>+6.1</u>
OMN	<u>+1.0</u>	<u>+1.9</u>	<u>+6.5</u>	<u>+7.4</u>	<u>+1.5</u>	<u>+1.5</u>
OPN	<u>+1.4</u>	<u>+1.5</u>	<u>+3.7</u>	<u>+4.4</u>	<u>+4.5</u>	<u>+4.6</u>
<u>Air Force</u>	<u>+7.3</u>	<u>+2.0</u>	<u>+3.3</u>	<u>+6.6</u>	<u>+6.6</u>	<u>+6.7</u>
OMAF	<u>+2.2</u>	<u>-1.6</u>	<u>-2.1</u>	<u>+2.2</u>	<u>+2.6</u>	<u>+2.6</u>
OPAF	<u>+5.1</u>	<u>+3.6</u>	<u>+5.4</u>	<u>+4.4</u>	<u>+4.0</u>	<u>+4.1</u>
<u>WHS</u>	<u>-0.1</u>	<u>+6.3</u>	<u>+3.1</u>	<u>-1.2</u>	<u>+4.4</u>	<u>+4.6</u>
OMDW	<u>-2.5</u>	<u>+3.9</u>	<u>-0.6</u>	<u>-5.3</u>	<u>+1.9</u>	<u>+2.0</u>
PDW	<u>+2.4</u>	<u>+2.4</u>	<u>+3.7</u>	<u>+4.1</u>	<u>+2.5</u>	<u>+2.6</u>
<u>DMA</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>
OMDW	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>
<u>DoDEA</u>	<u>-</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>
OMDW	<u>-</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>
<u>SYSTEMS MODERNIZATION</u>						
<u>CPMS</u>	<u>+12.3</u>	<u>+10.7</u>	<u>+10.8</u>	<u>+7.3</u>	<u>+4.0</u>	<u>+6.4</u>
OMDW	<u>+7.6</u>	<u>+8.8</u>	<u>+9.1</u>	<u>+7.0</u>	<u>+3.6</u>	<u>2.8</u>
PDW	<u>+4.7</u>	<u>+1.9</u>	<u>+1.7</u>	<u>+0.3</u>	<u>+0.4</u>	<u>+3.6</u>

MANPOWER REALIGNMENT

(Civilian End Strength)

	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Army	-9	-13	-13	-13	-13	-13
Navy	-7	-12	-12	-12	-12	-12
Air Force	-5	-9	-9	-9	-9	-9
WHS	-2	-3	-3	-3	-3	-3
DMA	-1	-2	-2	-2	-2	-2
DoDEA	-	-1	-1	-1	-1	-1
DoD CPMS	<u>+24</u>	<u>+40</u>	<u>+40</u>	<u>+32</u>	<u>+23</u>	<u>+23</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-8</u>	<u>-17</u>	<u>-17</u>

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Military Recruiting and Entrance Processing

Implementation of a standard recruiting and entrance processing system, in conjunction with standard personnel data elements, is critical in the Personnel and Readiness migration strategy to move to one-time data entry of core military personnel data. Standardizing automation and data at these initial entry stages will yield major benefits throughout the entire military personnel life cycle as well as eliminating duplicative system development and modernization efforts. To realize these benefits requires timely implementation of the Joint Recruiting Information Support System (JRISS), the U.S. Military Entrance Processing Command Integrated Resource System, and Computer Adaptive Versions of the Armed Services Vocational Aptitude Battery (CAT-ASVAB).

Joint Recruiting Information Support System (JRISS)

(TOA, Dollars in Millions)
FY 1995 FY 1996 FY 1997

Service Estimate	-	-	-
Alternative Estimate	-	+43.1	+47.2

A comprehensive CIM review of military recruiting functional requirements and existing processes determined that the most significant improvements in these processes require standardization of data and the application of up-to-date information technology at recruiting offices. The development of a comprehensive standard system, JRISS, would be initially deployed in the Army and the Marine Corps in FYs 1996-1998 and in the other Components thereafter as life cycle replacements for existing systems. On September 14, 1994, the MAISRC approved the JRISS and authorized proceeding with concept formulation and design efforts. The Army was assigned to be the Lead Acquisition Agency. The project management plan requires each Service to assign personnel to the project management team under the Army. The Services did not fund JRISS in their budgets pending the MAISRC decision.

The Functional Economic Analysis (FEA) for Military Enlisted Recruiting provided the following estimate of savings for support costs and military recruiters with the implementation JRISS:

	(TOA, Dollars in Millions)				
	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
<u>JRISS FEA SAVINGS</u>	<u>4.9</u>	<u>16.8</u>	<u>28.6</u>	<u>39.7</u>	<u>39.7</u>
<u>Support Costs Savings</u>	<u>3.1</u>	<u>6.3</u>	<u>9.1</u>	<u>11.8</u>	<u>11.8</u>
Army O&M	2.5	5.0	7.3	9.4	9.4
MC O&M	0.6	1.3	1.8	2.4	2.4
<u>MilPers Pay</u>	<u>1.8</u>	<u>10.5</u>	<u>19.5</u>	<u>27.9</u>	<u>27.9</u>

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The O&M support cost savings are anticipated through general reductions for the facilities, communications, postage, reproduction and travel. The Military Personnel Pay savings will be returned to the Services as readiness enhancements. Military Recruiters, senior Non-commissioned Officers (NCO) (E6/E7), will be returned to the force to enhance readiness by filling the current shortages in senior NCOs. JRISS will free-up 350 NCOs for the Army and 50 for the Marine Corps. Other non-quantifiable savings were identified by the FEA included: enhanced and increased accession systems capacity, recruiter time savings, and a better image of the Military Service to the target market.

The alternative estimate fully funds JRISS by providing the following funding increases shown in the table below and directs the Services to provide the necessary manpower to staff the JRISS program management office. It also reduces the funding for the following savings in support costs that JRISS will provide. In FY 1995, the Army is directed to reprogram \$2 million for procurement of computer equipment for JRISS. (FY 1996, \$+43.1 million and FY 1997, \$+47.2 million)

	(TOA, Dollars in Millions)						
	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>
<u>JRISS</u>	-	+43.1	+50.3	+31.1	+23.4	+30.8	+26.6
<u>Army</u>	-	+27.9	+35.2	+26.8	+19.1	+20.2	+16.5
OMA	-	+9.0	+13.4	+13.0	+12.0	+12.0	12.0
OPA	-	+18.9	+21.7	+8.5	+2.1	+2.5	+2.5
OM-NG	-	-	-	+1.3	+1.9	+2.5	+1.8
OPA-NG	-	-	-	+4.0	+3.1	+3.2	+0.3
<u>Navv</u>	-	-	+13.0	+2.4	+2.4	+2.5	+2.5
O&M,N	-	-	+4.3	+2.2	+2.2	+2.2	+2.2
OP,N	-	-	+8.7	+0.3	+0.3	+0.3	+0.3
<u>Marine Corps</u>	-	+13.5	1.5	1.6	1.6	+2.1	+1.6
O&M,MC	-	+2.6	1.2	1.2	1.2	+1.2	+1.2
OP,MC	-	+10.9	0.3	0.3	0.3	+0.3	+0.3
O&M,MR	-	-	-	-	-	+0.1	-
OP,MR	-	-	-	-	-	+0.5	-
<u>Air Force</u>	-	+1.8	+0.3	+0.3	+0.3	+6.0	+6.0
O&M,AF	-	-	-	-	-	+0.8	+0.8
OPAF	-	-	-	-	-	+4.6	+4.6
O&M,AFR	-	-	-	-	-	+0.3	+0.3
O&M,AG	-	+0.3	+0.3	+0.3	+0.3	+0.3	+0.3
OPAG	-	+1.5	-	-	-	-	-
<u>Support Cost</u>							
<u>Savings</u>	-	-	-3.1	-6.3	-9.1	-11.8	-11.8
Army - O&M	-	-	-2.5	-5.0	-7.3	-9.4	-9.4
MC - O&M	-	-	-0.6	-1.3	-1.8	-2.4	-2.4

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Military Entrance Processing Command Integrated Resource System (MIRS), and Computer Adaptive Versions of the Armed Services Vocational Aptitude Battery (CAT-ASVAB)

	(TOA, Dollars in Millions)		
	FY 1995	FY 1996	FY 1997
Service Estimate	11.5	2.9	2.6
MIRS	11.5	2.9	2.6
CAT-ASVAB	-	-	-
Alternative Estimate	-	-	-
MIRS	+4.3	-	-
CAT-ASVAB	+3.1	-	-
Undistributed	-7.4	-	-

The Department of the Army is the Executive Agent for U.S. Military Entrance Processing Command (USMEPCOM). The principal mission is to conduct medical examinations and qualifications tests for all Service applicants at 65 Military Entrance Processing Stations (MEPS) during peacetime and mobilization. A CIM evaluation of entrance processing confirmed the need to replace the obsolete Unisys System 80 equipment. A FEA from March 1993 recommended MIRS as the replacement system. Together with JRISS, they will provide electronic data sharing between USMEPCOM, the recruiting service, and receiving Services.

The computer adaptive testing (CAT) for military personnel selection and classification (ASVAB) reduces the average test time from 3.5 hours to 1.5 hours permitting an increase in the number of applicants who can be processed in one day. A 1993 cost-effectiveness evaluation supported immediate employment of the CAT-ASVAB at MEPS as an integral part of the USMEPCOM automated business process.

Despite USD(P&R) direction to support MIRS and CAT-ASVAB, the Army did not fully fund these projects for FY 1995, risking major delays, stoppages, and unnecessarily high processing costs. While MIRS is short \$7.1 million of FY 1995 Other Procurement (OP) funds, there is excess FY 1995 O&M funding of \$2.8 million. Implementation of CAT-ASVAB requires \$2.7 million in OP funds for 1,366 computers and 66 servers and \$0.4 million of O&M funds for furniture, system installation, and training in FY 1995. Also, approximately \$0.2 million is required annually to maintain the system starting in FY 1998.

The alternative estimate directs the Army to provide the necessary FY 1995 resources to fully fund the MIRS and CAT-ASVAB programs. The Army will provide the specific program reductions.

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Procurement Corporate Information Management (P-CIM)

	(TOA, Dollars in Millions)		
	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
Service Estimate	-	-	-
Alternative Estimate	-	-	-
OMDW-WHS*	-11.8	-12.1	-12.3
OMDW-DLA*	+11.8	+12.1	+12.3

* The WHS will reimburse DLA in FY 1995 for this effort.

The purpose of the Procurement Corporate Information Management (P-CIM) initiative is to facilitate the development and the implementation of improved business practices and standardization of automated information systems for the procurement functional area. To more efficiently coordinate contract writing and contract administration and to satisfy programmatic requirements for defense information systems, the functional management responsibility for P-CIM has been transferred to the Defense Logistics Agency (DLA) from USD(A&T). DLA's Program Management Office will perform and be responsible for the Mechanization of Contract Administration Services and Integrated Contract Administration System (MOCAS), and the Standard Procurement System (SPS), to include performing consolidated budget formulation, review, and execution for these initiatives. Accordingly, the alternative realigns funds from the Washington Headquarters Service (WHS) to DLA for FY 1996 and beyond. (Outyear Adjustments: FY 1998, \$12.8 million; FY 1999, \$13.2 million; FY 2000, \$13.2 million; and FY 2001, \$13.2 million.)

Defense Investigative Service (DIS) Automation Modernization

	(TOA, Dollars in Millions)		
	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
Service Estimate	187.8	183.2	196.1
Alternative Estimate	-	-3.8	-

PDM I added \$5.0 million in FY 1996, \$20.0 million in FY 1997 and \$20.0 million in FY 1998 for a modernized system to automate DIS operations, including electronic processing of the Personnel Security Questionnaires. Excess FY 1993 procurement funds budgeted for vehicles have recently been released to initiate this program in FY 1995. Application of these assets reduces the FY 1996 funding requirements accordingly. The PDM required a FEA that documents outyear savings as a result of the modernization. The FEA was provided on November 14, 1994, and shows savings of \$2.4 million in FY 1998, \$2.4 million in FY 1999, and \$18.3 million in FY 2000. Accordingly, the alternative estimate reduces DIS' O&M to reflect these modernization savings. (FY 1996, \$-3.8 million) (Outyear Adjustments: FY 1998, \$-2.4 million; FY 1999, \$-2.4 million; and FY 2000, \$-18.3 million)

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SUMMARY OF ADJUSTMENT:

	(TOA, Dollars in Millions)		
	FY 1995	FY 1996	FY 1997
Alternative Estimate	-	+58.6	+76.6
QMDW-CPMS	-	+7.6	+8.8
QMDW-DLA	-	+12.3	+12.3
QMDW-DMA	-	-0.1	-0.1
QMDW-DODEA	-	-0.1	-0.1
QMDW-WHS	-	-14.6	-8.4
PDW-CPMS	-	+4.7	+1.9
PDW-DIS	-	-3.8	-
PDW-WHS	-	+2.4	+2.4
QMAF	-	+2.2	-1.6
QPAF	-	+5.1	+3.6
QMAG	-	+0.3	+0.3
QPAG	-	+1.5	-
QMA	-	-0.7	+9.2
QPA	-	+26.0	+30.5
QMMC	-	+2.6	+0.6
QPMC	-	+10.9	+0.3
Q&MN	-	+1.0	+5.6
QPN	-	+2.4	+10.8

OUTYEAR IMPACT:

	(TOA, Dollars in Millions)			
	FY 1998	FY 1999	FY 2000	FY 2001
Alternative Estimate	+56.7	+42.3	+43.6	+45.4
QMDW-CPMS	+9.1	+7.0	+3.6	+2.8
QMDW-DIS	-	-2.4	-2.4	-18.3
QMDW-DLA	+12.8	+13.2	+13.2	+13.2
QMDW-DMA	-0.1	-0.1	-0.1	-0.1
QMDW-DODEA	-0.1	-0.1	-0.1	-0.1
QMDW-WHS	-13.4	-18.5	-11.3	-11.2
PDW-CPMS	+1.7	+0.3	+0.4	+3.6
PDW-WHS	+3.7	+4.1	+2.5	+2.6
QPAF	+5.4	+4.4	+8.6	+8.7
QMAF	-2.1	+2.2	+3.4	+3.4
QMAFR	-	-	+0.3	+0.3
QMAG	+0.3	0.3	+0.3	+0.3
QMA	+6.4	+4.5	+2.9	+21.8
QPA	+14.8	+8.4	+8.4	+8.6
QMNG	-0.1	+1.9	+2.5	+1.8
QPANG	+4.0	+3.1	+3.2	+0.3
QMMC	-0.6	-0.6	-1.2	-1.2
QPMC	+0.3	+0.3	+0.3	+0.3
QCMR	-	-	+0.1	-
QPMR	-	-	+0.5	-
QPN	+4.0	+4.7	+4.8	+4.9
Q&MN	+8.7	+9.6	+3.7	+3.7

PROCUREMENT APPENDIX (S in Millions) Qty ()					NUMBER 711		Alternative	
LINE ITEM	Fiscal Year 1995	Fiscal Year 1996	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Fiscal 2001	

Other Procurement, Army

Budget Activity 2, Communications and Electronics Equipment

Active	-	+26.0	+30.5	+14.8	+8.4	+8.4	+
National Guard	-	-	-	+4.0	+3.1	+3.2	+

Other Procurement, Navy

Budget Activity 07, Personnel and Command Support Equipment

-	+1.4	+10.2	+4.0	+4.7	+4.8
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Procurement, Marine Corps

Budget Activity 4, Communications and Electronics Equipment

-	+10.9	+0.3	+0.3	+0.3	+1.3
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Other Procurement, Air Force

Budget Activity 3, Electronics & Telecommunications Equipment

Active	-	+5.1	+3.6	+5.4	+4.4	+8.6
Air Guard	-	+1.5	-	-	-	-

Procurement, Defense-Wide

CPMS	-	+4.7	+1.9	+1.7	+0.3	+0.4
OSD/WHS Major Equipment	-	+2.4	+2.4	+3.7	+4.1	+2.5